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## Background Paper

### GOVERNMENT EXPENDITURES: REVIEW PROCESS



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July 1993



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## **GOVERNMENT EXPENDITURES: REVIEW PROCESS**

### **INTRODUCTION**

On 26 April 1993, the federal government tabled a budget in the House of Commons. The Minister of Finance, Mr. Mazankowski, announced that the deficit for 1992-93 totalled \$35.5 billion, some \$1.1 billion more than estimated in December 1992. Net public debt climbed to \$458.8 billion, or 66.7% of Gross Domestic Product.

This announcement did nothing to calm public concern about the state of public finances. On the contrary, the feeling mounted that the government might have lost control. For years, taxpayers have been hearing that it is time for belt-tightening and living within their means. Now taxpayers want the government to stop picking their pockets and to take action in other ways to achieve deficit reduction.

The object of this paper is to explain the role of government in expenditure management. In the first of three sections, we analyze federal government expenditures in recent years. It is important to understand the composition of expenditures in order to see the impacts reductions would have. In a second section, we shall look at the process of consideration of expenditures by Parliament. We shall ask who participates in this process, and how it guarantees that public funds are properly spent. Finally, we shall deal with efforts to reduce expenditures both in Canada and in other countries.

#### **A. Federal Expenditures**

To limit the scope of our analysis, we will look at government expenditures since 1982, that is, over a ten-year period. Tables 1, 2, 3 and 4 show respectively government expenditures in real terms, annual change in real expenditures, the ratio of each component to GDP, and their shares of total expenditures.





TABLE 1

EXPENDITURES in millions of dollars constant of 1986 (for the fiscal year ending 31 March)	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Transfer payment to persons	19,696	24,883	24,886	25,287	26,587	26,567	26,378	26,437	27,482	29,482	33,150
Old age security benefits	9,767	10,447	10,931	11,452	12,525	12,841	13,092	13,231	13,854	14,053	14,954
Unemployment insurance benefits	6,196	10,642	10,275	10,082	10,036	9,975	9,568	9,549	10,029	12,030	14,737
Family allowances	2,298	2,417	2,443	2,425	2,501	2,420	2,339	2,268	2,275	2,244	2,293
Other	1,436	1,376	1,236	1,327	1,525	1,330	1,378	1,389	1,323	1,153	1,166
Transfer payments to other levels of Government	15,867	16,363	19,036	19,933	20,259	19,726	20,075	20,960	21,553	19,926	21,207
Fiscal arrangements	5,404	6,064	6,278	6,003	5,941	6,019	6,393	7,073	7,421	6,792	7,198
Insurance and medical care services	4,873	4,399	5,845	6,349	6,400	6,310	5,984	5,812	5,714	4,949	5,438
Canada Assistance Plan	2,614	3,068	3,454	3,756	3,916	3,869	3,874	3,965	4,293	4,748	4,959
Education support	1,852	1,660	2,169	2,272	2,277	2,132	2,046	1,938	1,858	1,527	1,741
Other	1,124	1,172	1,290	1,553	1,725	1,395	1,778	2,171	2,267	1,909	1,870
Other transfer payments	8,858	9,802	12,569	14,028	12,587	12,312	13,670	12,616	11,826	10,304	12,297
Crown corporations expenditures	5,407	7,746	5,460	6,596	4,809	5,051	4,430	5,016	4,539	4,801	4,310
Operating and capital expenditures	19,314	20,066	21,041	21,532	21,833	22,309	23,755	21,872	23,694	23,621	22,894
National Defence	6,453	7,150	7,866	8,441	8,691	9,091	9,359	9,081	9,313	8,873	8,901
All other departments and agencies	12,861	12,917	13,175	13,090	13,142	13,219	14,397	12,791	14,381	14,748	13,993
Public debt charges	17,195	18,313	18,988	22,523	25,441	25,461	26,485	28,868	33,293	34,895	33,521
TOTAL	86,337	97,173	101,980	109,898	111,516	111,427	114,793	115,768	122,387	123,028	127,378

Source: Public Accounts, 1991-92 and Research Branch, Library of Parliament.

TABLE 2

ANNUAL CHANGE IN REAL EXPENDITURES in percentage (for the fiscal year ending 31 March)	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Transfer of payments to persons	-	26.3	0.0	1.6	5.1	-0.1	-0.7	0.2	4.0	7.3	12.4
Old age security benefits	-	7.0	4.6	4.8	9.4	2.5	2.0	1.1	4.7	1.4	6.4
Unemployment insurance benefits	-	71.8	-3.5	-1.9	-0.5	-0.6	-4.1	-0.2	5.0	20.0	22.5
Family allowances	-	5.2	1.1	-0.7	3.1	-3.2	-3.3	-3.1	0.3	-1.4	2.2
Other	-	-4.2	-10.1	7.3	14.9	-12.8	3.6	0.8	-4.7	-12.8	1.1
Transfer payments to other levels of Government	-	3.1	16.3	4.7	1.6	-2.6	1.8	4.4	2.8	-7.5	6.4
Fiscal arrangements	-	12.2	3.5	-4.4	-1.0	1.3	6.2	10.6	4.9	-8.5	6.0
Insurance and medical care services	-	-9.7	32.9	8.6	0.8	-1.4	-5.2	-2.9	-1.7	-13.4	9.9
Canada Assistance Plan	-	17.4	12.6	8.8	4.3	-1.2	0.1	2.4	8.3	10.6	4.4
Education support	-	-10.4	30.7	4.7	0.2	-6.4	-4.0	-5.3	-4.2	-17.8	14.0
Other	-	4.3	10.0	20.4	11.1	-19.1	27.4	22.1	4.4	-15.8	-2.0
Other transfer payments	-	10.7	28.2	11.6	-10.3	-2.2	11.0	-7.7	-6.3	-12.9	19.3
Crown corporations expenditures	-	43.3	-29.5	20.8	-27.1	5.0	-12.3	13.2	-9.5	5.8	-10.2
Operating and capital expenditures	-	3.9	4.9	2.3	1.4	2.2	6.5	-7.9	8.3	-0.3	-3.1
National Defence	-	10.8	10.0	7.3	3.0	4.6	2.9	-3.0	2.6	-4.7	0.3
All other departments and agencies	-	0.4	2.0	-0.6	0.4	0.6	8.9	-11.2	12.4	2.6	-5.1
Public debt charges	-	6.5	3.7	18.6	13.0	0.1	4.0	9.0	15.3	4.8	-3.9
TOTAL	-	12.6	4.9	7.8	1.5	-0.1	3.0	0.8	5.7	0.5	3.5

Source: Public Accounts, 1991-92 and Research Branch, Library of Parliament.



TABLE 3

Expenditure components as percentages of GDP (for the fiscal year ending 31 March)	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Transfer payment to persons	4.9	6.1	5.8	5.7	5.6	5.5	5.2	5.0	4.9	5.4	6.0
Old age security benefits	2.4	2.6	2.6	2.6	2.6	2.7	2.6	2.5	2.5	2.6	2.7
Unemployment insurance benefits	1.5	2.6	2.4	2.3	2.1	2.1	1.9	1.8	1.8	2.2	2.7
Family allowances	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4
Other	0.4	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Transfer payments to other levels of Government	3.9	4.0	4.5	4.5	4.2	4.1	4.0	4.0	3.9	3.6	3.9
Fiscal arrangements	1.3	1.5	1.5	1.3	1.2	1.2	1.3	1.3	1.3	1.2	1.3
Insurance and medical care services	1.2	1.1	1.4	1.4	1.3	1.3	1.2	1.1	1.0	0.9	1.0
Canada Assistance Plan	0.6	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9
Education support	0.5	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Other	0.3	0.3	0.3	0.3	0.4	0.3	0.4	0.4	0.4	0.3	0.3
Other transfer payments	2.2	2.4	3.0	3.1	2.6	2.5	2.7	2.4	2.1	1.9	2.2
Crown corporations expenditures	1.3	1.9	1.3	1.5	1.0	1.0	0.9	1.0	0.8	0.9	0.8
Operating and capital expenditures	4.8	4.9	4.9	4.8	4.6	4.6	4.7	4.2	4.2	4.3	4.2
National Defence	1.6	1.8	1.8	1.9	1.8	1.9	1.9	1.7	1.7	1.6	1.6
All other departments and agencies	3.2	3.2	3.1	2.9	2.7	2.7	2.9	2.4	2.6	2.7	2.6
Public debt charges	4.2	4.5	4.5	5.0	5.3	5.3	5.3	5.5	6.0	6.4	6.1
Total expenditures	21.3	23.9	23.9	24.6	23.3	23.1	22.8	22.0	21.9	22.5	23.2

Source: Public Accounts, 1991-92 and Research Branch, Library of Parliament.



TABLE 4

Expenditures as percentages of total expenditures (for the fiscal year ending 31 March)	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Transfer payments to persons	22.8	25.6	24.4	23.0	23.8	23.8	23.0	22.8	22.5	24.0	26.0
Old age security benefits	11.3	10.8	10.7	10.4	11.2	11.5	11.4	11.4	11.3	11.4	11.7
Unemployment insurance benefits	7.2	11.0	10.1	9.2	9.0	9.0	8.3	8.2	8.2	9.8	11.6
Family allowances	2.7	2.5	2.4	2.2	2.2	2.2	2.0	2.0	1.9	1.8	1.8
Other	1.7	1.4	1.2	1.2	1.4	1.2	1.2	1.2	1.1	0.9	0.9
Transfer payments to other levels of Government	18.4	16.8	18.7	18.1	18.2	17.7	17.5	18.1	17.6	16.2	16.6
Fiscal arrangements	6.3	6.2	6.2	5.5	5.3	5.4	5.6	6.1	6.1	5.5	5.7
Insurance and medical care services	5.6	4.5	5.7	5.8	5.7	5.7	5.2	5.0	4.7	4.0	4.3
Canada Assistance Plan	3.0	3.2	3.4	3.4	3.5	3.5	3.4	3.4	3.5	3.9	3.9
Education support	2.1	1.7	2.1	2.1	2.0	1.9	1.8	1.7	1.5	1.2	1.4
Other	1.3	1.2	1.3	1.4	1.5	1.3	1.5	1.9	1.9	1.6	1.5
Other transfer payments	10.3	10.1	12.3	12.8	11.3	11.0	11.9	10.9	9.7	8.4	9.7
Crown corporations expenditures	6.3	8.0	5.4	6.0	4.3	4.5	3.9	4.3	3.7	3.9	3.4
Operating and capital expenditures	22.4	20.6	20.6	19.6	19.6	20.0	20.7	18.9	19.4	19.2	18.0
National Defence	7.5	7.4	7.7	7.7	7.8	8.2	8.2	7.8	7.6	7.2	7.0
All other departments and agencies	14.9	13.3	12.9	11.9	11.8	11.9	12.5	11.0	11.8	12.0	11.0
Public dept charges	19.9	18.8	18.6	20.5	22.8	22.9	23.1	24.9	27.2	28.4	26.3

Source: Public Accounts, 1991-92 and Research branch, Library of Parliament.



It is immediately apparent that the 1982 recession affected expenditure levels dramatically. Expenditures increased by 48% in real terms between 1982 and 1992. From 1982 to 1984 alone, they climbed 18%.

Transfer payments in general rose sharply in the early 1980s, then increased at a slower pace -- occasionally even declining in real terms. The ratio of transfer payments to GDP increased marginally over this ten-year period. The largest change was the rise in unemployment insurance payments, whose ratio to GDP rose from 1.5% in 1982 to 2.7% in 1992. The recent recession also had a direct impact on transfer payments, most of whose components increased in 1991 and 1992.

Expenditures of Crown corporations have experienced both upward and downward movements since 1982. However, they were reduced by 20% in real terms over ten years, with their share of GDP falling from 1.3% in 1982 to 0.8% in 1992. The main reason for this marked decrease in expenditures was the privatization of a number of Crown corporations.

Expenditures for other government programs have not followed quite the same path as transfer payment expenditures. Annual changes reflect the desire of the Conservative government to reduce growth in program expenditures. Although these expenditures showed fairly substantial growth in 1988 and 1990, their ratio to GDP has been declining since 1982. Overall, National Defence expenditures have increased over the period, but at a declining rate, with even decreases taking place in some years.

Public debt charges represent a growing proportion of total government expenditures, having practically doubled in ten years. In 1982, debt charges accounted for slightly less than 20% of total expenditures. In 1992, they accounted for 26%. There is only one positive feature in the pattern of debt charges: for the first time in 50 years, in 1991-1992 they showed a decline from one year to the next.

A brief look at the figures shows that considerable financial complexity is involved: expenditures are incurred by dozens of departments and agencies carrying out thousands of programs. Review of these expenditures and consequently of the programs themselves cannot be carried out in detail each year. The only annual scrutiny by Parliament is approval of the votes allocated to each department. In the section that follows, we shall see



who is involved in the process of reviewing federal government expenditures and the roles they play.

## **B. Consideration of Expenditures**

The annual tabling of the Main Estimates by the President of the Treasury Board marks the initial step in the consideration of government expenditures.<sup>(1)</sup> The Estimates consist of three parts: Part I contains the principal components of the Main Estimates; Part II includes the financial requirements of each department and agency; and the Part IIIs (more than 80) supply more detailed information on the items in Part II, providing descriptions of program objectives, principal achievements and future plans for each department and agency.

Parliament must approve the Main Estimates for each fiscal year (1 April to 31 March of the following year). First, Part IIIs are sent to various committees of the House of Commons for in-depth consideration. The object of this exercise is to ensure that the financial resources requested are justified. Ministers and senior officials appear before the members of the committee to defend their budgets.

Appendix 1 shows the number of meetings on Main Estimates held over the past five fiscal years. The total number of meetings has varied greatly over this period. Committees met as follows: 134 times on the 1989-90 Main Estimates; 92 times on the 1990-91 Main Estimates; 33 times on the 1991-92 Main Estimates; 64 times on the 1992-93 Main Estimates; and 45 times on the 1992-93 Main Estimates.

Although most committees hold at least one meeting to consider Part III Estimates, this exercise seems far from popular. In addition, no major change -- such as, for example, a budget cut -- has ever been made following consideration of a Part III. Votes are always approved in the end, if only because the members of the government in power make up the majority of the committee. Committees have until 31 May to report to the House on Part IIIs. On that date, any items that have not been reviewed in committee or reported to the House are considered to have been approved.

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(1) For further information on the financial cycle, see "Management of Public Finances in Canada", BP-297E, Library of Parliament.



This way of proceeding does not provoke any interest because Members are under the impression that, whether or not they pay attention to the resources requested, the votes will be approved. Members (particularly those in the Opposition) therefore take advantage of the rare appearance of the Minister before the committee to ask questions on all manner of topics other than financial ones.

Some may assert that, although it is far from perfect, this manner of proceeding provides an opportunity for public consideration of the Main Estimates and promotes transparency of the budget process. In fact, only on rare occasions do public servants appear before elected officials to justify their activities. However, the lack of enthusiasm for these sessions implies that Members may not be convinced of their relevance, at least in their present form.

Accordingly, proposals have been made either to modify the process or to adopt other methods for consideration of government expenditures by Members of Parliament. Auditor General Desautels proposed the creation of a Committee of leading members for non-partisan consideration of public finance matters.<sup>(2)</sup> Rather than concentrating on a single fiscal year, this Committee would address the issues from a long-term perspective. Other have proposed the creation of a super-committee to scrutinize government expenditures, on which taxpayers would also sit.

The work of the Member of Parliament in reviewing expenditures does not end with the adoption in committee of the Part IIIs; however, with the exception of Members' participation in debates, interventions are frequently *ex post* -- that is, they take place after the expenditures have been made.

The Auditor General's Annual Report is one of the instruments used by Members of Parliament to review the programs of various departments and agencies. The Auditor General (AG) checks to ensure that expenditures have been made wisely and in accordance with the will of Parliament. However, because there is only one report per year, months can pass before Members become aware of the AG's conclusions. There has been a proposal to have the reports

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(2) Speech to the Chamber of Commerce and Industry of Metropolitan Québec, 19 January 1993.



published as soon as they are prepared, or as deemed appropriate, in order to permit quicker reaction to the AG's observations.

Particularly in recent years, the direct activities of Members (especially Opposition Members) with respect to consideration of expenditures have focused on expenditure control. The government is being asked to act to reduce expenditures without precipitating another recession. In the section that follows, we shall look at actions taken by the government to control expenditures in recent years.

### C. Control of Government Expenditures

Although it is true that it is not helpful to consider expenditure levels without comparing them to revenues, expenditure levels can indicate the choices that must be made when the government decides to make cuts. The government's determination to restrain expenditures is not new; however, there is public pressure to change the way in which this is done.

First, the public hears various claims that the government could find less drastic ways of reducing expenditures; indeed, everyone has his or her own proposal. Next, people are uncertain whether the government is taking all possible measures to ensure that funds are well spent. Early this year, a Gallup<sup>(3)</sup> poll found that Canadians asked what percentage of their taxes they believed was wasted by the federal government gave the answer 47 cents in every dollar! In this context, it is important to understand what the government is doing to control and reduce expenditures.

#### 1. *Expenditure Control Act*

More than a year ago (18 June 1992), the *Expenditure Control Act* received Royal Assent. The purpose of this Act was to impose, in accordance with established criteria, program expenditure ceilings for the 1991-1992 to 1995-1996 period. Subject to certain exceptions, these ceilings cannot be exceeded by the Minister of Finance when presenting the budget.

Not all government expenditures are subject to the Act. The principal self-financing programs (Unemployment Insurance, Farm Commodities Stabilization, Gross Revenues

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(3) *Ibid.*



Insurance Plan and Crop Re-insurance Fund) and debt charges are exempt from the expenditure control ceilings. The Act also permits excess expenditures if there is a compensatory decrease over the two following fiscal years. This provision is valid even for the final year of the program.

Expenditures subject to the Act account for 62.5 % of total estimated expenditures, and represent expenditures deemed to be controllable (compared to Unemployment Insurance expenditures, which vary with the state of the economy). Up to now, the ceilings have been respected. Once changes in the structure of certain expenditures have been implemented (restructuring of expenditures for Child Benefits and full funding of pensions), the government plans to revise expenditure ceilings downward, beginning in fiscal year 1992-1993, and to extend the ceilings to 1997-98.

There are those who feel that the *Expenditure Control Act* does not attack the deficit directly enough, and who propose that the government adopt legislation prohibiting deficit financing. The 1991 Auditor General's Annual Report proposed a report card in which deficit and debt results would be compared to budget forecasts, and any large differences would be explained in plain language. The parameters (unemployment, inflation and interest rates) underlying these forecasts would also be compared.<sup>(4)</sup>

## 2. Specific Expenditure Control Measures

A number of factors influence government expenditures. First, the state of the economy plays a part. In a recession, the increase in numbers of the unemployed and welfare recipients directly affects expenditures. Second, population growth also has an impact. Generally speaking, the services required to serve the population increase in direct proportion to that growth. Third, program structure has an impact on expenditures. A very generous program will naturally cost the government more money.

The increasing share of expenditures for transfer payments to individuals and to the Canada Assistance Plan since the beginning of the 1989-1990 recession has led to a number of problems. If the government did not want to finance these additional expenditures through

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(4) 1991 Auditor General's Report, Chapter 1.





tax increases, and yet wanted to keep the deficit to reasonable levels, other types of expenditures had to be cut or the structure of the components of transfer payments had to be reviewed.

An Expenditure Control Plan was announced in the 1990 budget. Subsequent budgets have also resulted in substantial expenditure reductions. The most important of these were:<sup>(5)</sup>

#### 1990

- Growth in Canada Assistance Plan payments to Ontario, British Columbia and Alberta limited to 5% (dubbed cap on CAP) over the following two years. This freeze was then extended for a third year.
- Two-year freeze on transfers under Established Programs Financing on a per capita basis.
- Decrease in spending on social housing.
- Implementation of the clawback provision by which high income earners must repay part or all of their Family Allowance or Old Age Security benefits as applicable.

#### 1991

- Wage restraint program for the Public Service of Canada.
- *Expenditure Control Act*

#### 1992

- 10% reduction in most grants and subsidies in each of the next two years.

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(5) This section of the paper is based on Current Issue Review "Federal Spending: Changing Trends," 87-2E, Research Branch, Library of Parliament.



- Further two-year wage freeze for federal public servants and Members of Parliament.
- Elimination or merging of a number of government agencies.
- Reduction of the Unemployment Insurance benefit rate from 60% to 57% of insurable earnings.
- No UI benefits for workers who quit their jobs without just cause.

### 1993

- Extension of reductions to regional development programs and non-renewal of some federal-provincial development agreements.
- Freeze on CMHC funding for social housing.
- Decrease of \$300 million in operating budgets over the next two years.

This list illustrates the extent to which all expenditure categories have been affected. Although the measures have led to a slowing of expenditure growth, expenditures nevertheless rose in real terms from \$122.4 billion in 1989-1990 to \$127.4 billion in 1991-1992.

The impact of a number of expenditure reduction measures announced in recent budgets will be felt fully only in the coming years. If they are combined with an economic recovery, they will certainly have a major impact on government expenditures.

### 3. Foreign Experience<sup>(6)</sup>

Government expenditure control is not unique to Canada. A number of countries have made similar cuts in recent years. Appendix 2 shows the most recent measures taken in

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(6) Data in this section were taken from "Quebec's Public Finances: Living Within Our Means," Ministère des Finances, January 1993.



certain OECD countries. Even the most socialist countries have made reductions in their social programs. Most of these countries have acted to reduce the size of their public service. All have made cuts to at least one of their social programs. New Zealand has even abolished universality in its health and social programs. Cuts in the defence sector have been made in half of the countries.

The nature of expenditure reductions depends in large part on the reaction of the public. The government's hands may be tied in the sense that it is unable to touch programs that are highly regarded by the people. For example, Canadians are very attached to the concept of universal health programs. It seems unlikely that a government would have the courage to abolish universality, despite the fact that considerable savings might thereby be achieved.

## CONCLUSION

The Canadian public is aware of the constraints facing the government in the domain of public finance. Yet the public also wants the government to end unemployment and the recession. In a Decima Research poll conducted in November 1992,<sup>(7)</sup> 57% of respondents stated that it is more important to invest in human resources even if this increases the deficit, while 41% felt that the government should reduce the deficit even if there is a resulting reduction in services.

The public therefore expects the government to do its homework. To succeed in carrying out its expenditure reduction plan, the government must explain the impact of its actions to the public. Above all, the government must demonstrate that public taxes are used wisely and well.

Public involvement in the expenditure review process could be beneficial for the government. The deficit is the problem not only of the government in power, but of the population as a whole. Greater transparency in government accounts is the first step toward an understanding of the choices we face, and achieving such transparency would make the

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(7) *Maclean's*, January 1993.

government more responsible for its actions. Members of Parliament would also benefit, because they could explain the situation better to their constituents.

In the poll referred to above, when respondents were asked their views how best to take a decision affecting the direction of the country, three-quarters said they favoured being consulted via an opinion poll, a referendum or a 1-800 number. Only 12% said they would prefer a vote in Parliament. Whatever method is chosen in the future, it is clear that the people want to be consulted. At a time when government institutions are becoming increasingly unpopular, the government must show that it is not the only one responsible for steering the ship of state. The public will then become more aware of what it can do to help keep the ship afloat.



## APPENDIX 1





**NUMBER OF COMMITTEE MEETINGS ON MAIN ESTIMATES  
BY COMMITTEE, BY FISCAL YEAR**

Standing Committees	ME/89-90 # of meetings	ME/90-91 # of meetings	ME/91-92 # of meetings	ME/92-93 # of meetings	ME/93-94 # of meetings
Aboriginal Affairs	1	2	--	--	3
External Affairs and International Trade	7	2	3	6	5
Agriculture	13	6	--	3	3
Communications and Culture	10	8	1	5	--
Public Accounts	3	2	1	3	2
Consumer and Corporate Affairs and Government Operations	14	9	2	3	1
National Defence and Veterans Affairs	4	5	4	3	1
Human Rights and the Status of Disabled Persons	3	2	1	1	2
Elections, Privileges, Procedure and Private Member's Business	2	4	--	--	--
Energy, Mines and Resources	5	5	1	2	1
Environment	7	4	1	4	3
Finance	9	1	--	1	--

**NUMBER OF COMMITTEE MEETINGS ON MAIN ESTIMATES  
BY COMMITTEE, BY FISCAL YEAR (cont'd)**

Standing Committees (cont'd)	ME/89-90 # of meetings	ME/90-91 # of meetings	ME/91-92 # of meetings	ME/92-93 # of meetings	ME/93-94 # of meetings
Forestry and Fisheries	10	--	--	2	2
House Management	--	--	2	7	3
Industry, Science and Technology, Regional and Northern Development	12	7	8	6	6
Justice and Solicitor general	11	11	3	6	2
Official Languages	--	1	--	1	1
Multiculturalism and Citizenship	--	1	--	1	--
Health and Welfare, Social Affairs, Seniors and Status of Women	9	6	--	2	1
Transport	4	2	--	--	--
Labour, Employment and Immigration	10	10	5	4	5
Sub-Committees					
Status of Women	--	--	--	1	1
Fitness and Amateur Sport	--	--	--	1	--
Forestry	--	4	1	--	--
Financial Institutions	--	--	--	1	1
National Security	--	--	--	1	2

Source: Committees Directorate, House of Commons, June 1993.



**APPENDIX 2**





## APPENDIX 2

Country	Positions, salaries and department	Social programs	Other
Belgium	Reduction in departmental expenditures (1990)	<ul style="list-style-type: none"> <li>• Non-indexation of old age pensions (1990)</li> <li>• Reduced expenditures on health and unemployment insurance (1991)</li> </ul>	Implementation of "zero-based budgeting" (1991) Reduced military expenditures (1991)
Denmark	<ul style="list-style-type: none"> <li>• Restrictions on growth in public sector employment (1990)</li> <li>• 6,300 part-time positions cut; 4,100 of these privatized (1991)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced expenditures for unemployment insurance (1991)</li> <li>• Youth must show proof of previous employment for entitlement to social assistance benefits (1991)</li> </ul>	
Finland	<ul style="list-style-type: none"> <li>• Plan to reduce by 1.3 % the number of public service positions (1989)</li> <li>• New government announced a reduction in the number of salaried central administration employees (1991)</li> </ul>	<ul style="list-style-type: none"> <li>• Cuts in social transfer payments and administrative sector (1993)</li> <li>• Reform of transfer system between central and local governments (1993)</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a new 1993-95 budget framework to reduce expenditures to 1991 levels by 1995 (1991)</li> </ul>
Norway		<ul style="list-style-type: none"> <li>• Restrictions on growth of transfers to the private sector and to local municipalities (1992)</li> <li>• Reduced sick leave payments (1992)</li> </ul>	
New Zealand		<ul style="list-style-type: none"> <li>• Abolition of universality of health and social programs except for old age pension (1992)</li> <li>• Reform of public health and education systems: Higher income earners must pay for doctor's visits and for a portion of hospitalization fees (1992) Those with low incomes are entitled to free health care and university education (1992)</li> </ul>	<ul style="list-style-type: none"> <li>• Decreased defence expenditures (1990)</li> </ul>

Country	Positions, salaries and department	Social programs	Other
Netherlands	<ul style="list-style-type: none"> <li>• Maximum indexation of wages set at 2.5% (1990)</li> <li>• Increase in public sector productivity through staffing reductions (25,000) by 1994 (1991)</li> </ul>	<ul style="list-style-type: none"> <li>• Freeze on social assistance benefits (1989)</li> <li>• Reduction of persons eligible for disability or sick benefits (1991)</li> </ul>	<ul style="list-style-type: none"> <li>• Defence, development assistance and refugee assistance expenditure controls (1991)</li> </ul>
United Kingdom	<ul style="list-style-type: none"> <li>• Agencies can establish their own pay and staff classification systems (1991)</li> </ul>	<ul style="list-style-type: none"> <li>• Tightening of UI program eligibility criteria (1989)</li> <li>• Abolition of regulation permitting those aged 65 and over to draw a pension while continuing to work (1989)</li> </ul>	<ul style="list-style-type: none"> <li>• Cuts in highway construction and defence sector expenditures (1992)</li> </ul>
Sweden	<ul style="list-style-type: none"> <li>• 10% reduction in size of central administration within 3 years through decentralization and deregulation (1990)</li> </ul>	<ul style="list-style-type: none"> <li>• Change in old age pension eligibility age from 65 to 66, and freeze in pension levels (1992)</li> <li>• Delayed social transfer payment increases (1990)</li> <li>• Reduced sick leave benefits (1991)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced grants to non-government organizations (NGOs) and corporations (1992)</li> <li>• Reduced housing support grants (1992)</li> </ul>

Source: Québec's Public Finances: *Living Within Our Means*, Ministère des Finances, Gouvernement du Québec, January 1993.









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